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Mr. von Hugo is a Managing Director of OEP. Prior to joining OEP he was Partner and co-owner of Palladion Partners, an independent private equity firm whose operations were integrated into OEP. Before joining Palladion, Mr. von Hugo worked in the Transaction/Corporate Finance Division of Arthur Andersen in Frankfurt and at Haarmann, Hemmelrath & Partners in Munich. He serves on the Boards of Austria Metall AG, Cereals Group GmbH, Constantia Flexibles GmbH, Duropack AG, and Smartrac N.V. Mr. von Hugo studied at the University of Mannheim, Germany and later graduated from the University of St. Gallen, Switzerland, where he received a Diploma in Business Finance. He is a certified German tax consultant.



Scott Dickman

From: Scott Dickman
Sent: Tuesday, July 24, 2012 10:30 AM
To: Thomas Blaigne; Hank Bird; Holley Ernest; Chris Payne
Cc: Kelsey Richard
Subject: RE: Oracle figures

Tom:

We will address these matters to the best of our ability on the call. WE do not have our team in a position today (everyone traveling) to be able to complete in that format in time for our call. As you can imagine that is a great deal of work. We also suffer from a very poor ERP system so questions regarding (material costs, shared expense allocation, variance month-to-month) are questions we ask every month and don't have the data to pinpoint some of that with much precision.

As you know, we are running out of time for a solution here. I have to commit to Wells within the next day or so how we are going to pay them off. If I do not, we will be out of compliance and they are likely to declare an event of default and Centre Lane could be in a position to buy our debt and try to foreclose.

I am looking forward to our call.

Scott

From: Thomas Blaigne [<mailto:tblaige@blaige.com>]
Sent: Tuesday, July 24, 2012 9:31 AM
To: Scott Dickman; Hank Bird; Holley Ernest; Chris Payne
Cc: Kelsey Richard
Subject: Fwd: Oracle figures

Gentlemen

I know that you are very busy today. Below are questions which Richard would like to discuss at your earliest convenience.

Attached is the Constantia financial model income statement.



Please let us know your thoughts as to how to best approach the questions. Having June in your spreadsheet would be a good first step.

Thanks

Tom

Begin forwarded message:

From: Kelsey Richard <Richard.Kelsey@cflex.com>
Date: July 24, 2012 7:48:43 AM CDT
To: "tblaige@blaige.com" <tblaige@blaige.com>
Subject: Oracle figures



Tom,

I have been working on the figures some more and have summarised the questions as below (including the ones that I previously sent). Let me know when we can have a call with the guys at Oracle.

YTD figures:

1. For the flexibles division, is it correct to allocate the shared cost of manufacturing to the same line in the P&L, which means that the gross margin (inc. cost of manufacturing) is around 9% YTD. Is this correct?
2. Is there a forecast for FY2012 for Flexibles only?
3. Why is the gross margin so low?
4. Why is there such a fluctuation in monthly costs?
5. Is it possible to provide us with the cost of materials only? This is included in cost of sales but not separately split out – is 40% the correct assumption as per the 2012 forecast (for Flexibles only)?
6. Can we discuss how the transfer pricing works between metals and flexibles? I had understood this to be at a 20% mark-up, which should be similar to market prices – is this correct?
7. I would like to understand how the costs are presented and the allocation of the cost of manufacturing to flexibles (just to understand exactly what is included in cost of manufacturing and what is in SG&A, also to broadly understand what the Pinnacle addbacks are).
8. What are the major cost components in cost of sales.
9. Would it be possible to help us to put the P&L format into 'Constantia' format, to help us understand the main fixed / variable cost elements (see attached).

FY2013 and FY2014 figures for Flexibles only

1. Can you please explain how the variable cost and fixed cost element of the 'spending budgets' were allocated and how these compare to the 2012 allocation to flexibles?
2. Please specify what is included in variable and fixed cost elements of the 'spending budgets'.
3. Please specify whether the addbacks for Pinnacle are included in the forecasts or not and whether these only relate to SG&A costs.

Kind regards

Richard

Richard Kelsey, ACA, CFA

Head of Group M&A

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Scott Dickman

From: Thomas Blaige <tblaige@blaige.com>
Sent: Monday, July 16, 2012 7:04 AM
To: Payne, Chris
Cc: Richard.Kelsey@cflex.com; Scott Dickman; Holley, Ernest S.
Subject: Re: OFP Information

Hello Chris and Scott

It looks like the attached numbers are revised to include Chobani, and before addbacks of 2.8mm shown in the third tab?

Thus sale and adjusted ebitda for FY 2013 are \$80mm and 9.1mm (including addbacks)?

FY 2014 85mm and 9.8mm?

What is included in the 3mm administrative cost addback and the offsetting salary adjustment? Are charges for IT, HR, insurance, etc, included somewhere in the proforma?

Thanks

Tom

On Jul 15, 2012, at 6:00 PM, "Payne, Chris" <ChrisPayne@oraclepkg.com> wrote:

Tom/Richard,

It was a pleasure spending the morning with you both in Houston on Friday. I hope both of your travels were smoother than mine with all the weather in the Houston area.

I understand the NDA is signed so, as promised, attached is the FY 2013-2014 Proforma income statements for a stand-alone flexible packaging business. On the third tab I are the addbacks associated with our current corporate charges. Additionally, I have included the customer detail for the FY 2013 budget by month. I have removed the customer names, but left the market for you analysis. We can certainly share more as we get further into the process.

Please let me know if there are any additional questions or clarifications.

Thanks,

Chris Payne
Oracle Flexible Packaging
220 Polo Road
Winston-Salem, NC 27105
chrispayne@oraclepkg.com
(336) 777-4593

<2013-2014 CT Proforma Forecast.xlsx>

<2013 Budget Detail CT.xlsx>



From: Kelsey Richard [<mailto:Richard.Kelsey@cflex.com>]
Sent: Monday, July 16, 2012 1:34 PM
To: Scott Dickman; Thomas Blaige
Cc: jmoore@cwlaw.com; Ryan Sacra; dscouler@scouler.com
Subject: RE:

Scott

Thanks. That is pretty clear. Look forward to getting the loan agreements.

Kind regards
Richard

From: Scott Dickman [<mailto:scott@pinnaclepkg.com>]
Sent: Montag, 16. Juli 2012 20:30
To: Thomas Blaige; Kelsey Richard
Cc: jmoore@cwlaw.com; Ryan Sacra; dscouler@scouler.com
Subject:

Attached is the confirmation from Centre Lane we are permitted to pursue financing options and that such discussions and negotiations are not a violation of the exclusivity provision.

Please let me know if you have any questions or need additional information. We are compiling our loan agreement documents for your review and will be able to send them shortly.

Thank You!

Scott

From: Thomas Blaige [mailto:tblaige@blaige.com]

Sent: Monday, July 23, 2012 1:19 AM

To: Holley, Ernest S.

Cc: Payne, Chris; Dickman, Scott; Bird, Hank

Subject: Re: Flexible Metals EBITDA for CFLEX

Hello Hank

How are you? It was great meeting you on Friday. I have had a chance to go through the financials that you, Ernie and Chris sent. Any chance that I could get the file and format that Ernie sent with the June numbers included? I think that this would provide the numbers with add backs and after allocation of shared costs. Any idea how sales in July should come in?

Thanks

Tom

On Jul 20, 2012, at 1:41 PM, "Holley, Ernest S." <ernieholley@oraclepkg.com> wrote:

Attached is a copy with Pinnacle add backs and the Bank and Scouler Fees. I only had 3 months of fees available so the number is higher than this.

I hid the columns which make up the variances so I suggest we make a PDF of this.

Hope this is sufficient for our needs.

Going to get a quick sandwich.

Ernie

On Jul 23, 2012, at 10:33 PM, Thomas Blaige <tblaige@blaige.com> wrote:

Ok Scott. Thomas requested that sheet which breaks out flexible, shared and add backs by month, to include June. They like seeing actual months at the go-forward rate, so it would be great to be able to have him have it in front of him when we talk.

Tom

On Jul 23, 2012, at 10:28 PM, "Scott Dickman" <scott@pinnaclepkg.com> wrote:

Thank you. Please let me know a time that we can talk in the morning. I really am running out of time and need to reach an agreement on this.

I actually think Centre Lane may work with me on this. They are having some issues as well.

-----Original Message-----

From: Thomas Blaige <tblaige@blaige.com>

To: Scott Dickman

CC: Kelsey Richard <Richard.Kelsey@cflex.com>

Sent: Mon Jul 23 22:21:55 2012

Subject: Re: Fw:

Hi Scott

Makes sense. If Centre Lane does not go along would they then go after you for breach?

We have a message into Thomas Unger regarding a discussion Tuesday morning. Will keep you posted.

Richard and I have been asked to work on valuation which is why we are trying to lock into the most recent monthly actual performance. It appears that 600-700,000 average monthly is the normalized adjusted ebitda range, correct? June and July should support this?

Thanks Scott

Tom

Scott Dickman

From: Thomas Blaige <tblaige@blaige.com>
Sent: Wednesday, July 25, 2012 1:53 PM
To: 'Payne, Chris'
Cc: 'Holley, Ernest S.'; Scott Dickman; 'Bird, Hank'; 'Kelsey Richard'
Subject: RE: Flexible Metals EBITDA for CFLEX

Hi Chris

This update was very helpful. The issue that we still need to address is the fact that the new volumes have not yet had the expected favorable impact which would get monthly adjusted ebitda back to the \$600-700k level. I am not sure if Stephens has asked you to prepare this as normal course but a 9 actual + 3 projected analysis (same format as the June update file you sent yesterday) would be exactly what we need.

Could we get the 2013 monthly forecast in that format as well. Then Constantia can see where the new business will get you to your normalized ebitda.

Finally, can we get additional clarification on what lease arrangements will continue versus added back. The facility lease will continue but the equipment leases will terminate and the equipment goes with the deal, correct? What is the equipment?

Thanks

Tom

Scott Dickman

From: Thomas Blaige <tblaige@blaige.com>
Sent: Thursday, July 26, 2012 5:41 PM
To: Holley Ernest; Chris Payne; Hank Bird
Cc: Scott Dickman; Kelsey Richard; Fresh Fields; timothy.wilkins@freshfields.com; Parkinson Edwin W.; Cohen Howard
Subject: Oracle -- critical due diligence information

Hello Guys

I am following up on information that will be required in fairly short order if the process is to stay on schedule.

Regards

Tom

First, is there a Data Room that Stephens put together? We would love immediate access if possible.

Regarding specific pieces of information on Oracle which is most critical:

1. Financials
 - a. 9+3 analysis for 2012
 - b. Monthly 2013 in same format with adjusted EBITDA per month
 - c. Add back detail on \$3mm administrative charge and the offset for management team members staying on
2. Top customer list with names for customers A-K (slide 28 of presentation updated for 2012 ytd); copies of any contracts or agreements
3. Top supplier list with names for customers A-J (slide 29 of presentation updated for 2012 ytd); copies of any contracts or agreements
4. Environmental reports and letters
5. List of at risk accounts and AR beyond 30 days
6. List of AP beyond 30 days
7. Copy of draft supply agreement on Mill.
8. Mill questions:
 - a. Total Mill output and how much Flexible sourced from the Mill (2010-2012 ytd)
 - b. how cost competitive is Mill
 - c. what is the benchmark price for foil stock; what is an attractive price to buy at who are the alternative suppliers and can Flexible source 100% externally if necessary
- d. Other information relevant to the potential long term supply agreement

Scott Dickman

From: Thomas Blaige <tblaige@blaige.com>
Sent: Friday, July 27, 2012 4:26 PM
To: Scott Dickman; timothy.wilkins@freshfields.com; 'Kelsey Richard'
Subject: RE:

Scott

Thank you. Thomas and I will call you in a few minutes.

1. Any word from CL?
2. Any info available from Hank, Chris and Ernie? Customer list with names is key

Thanks

Tom

From: Scott Dickman [mailto:scott@pinnaclepkg.com]
Sent: Friday, July 27, 2012 4:17 PM
To: timothy.wilkins@freshfields.com; Thomas Blaige; Kelsey Richard
Subject: FW:

This is the draft Pay-off letter we received from Wells.

Scott Dickman

From: Thomas Blaige <tblaige@blaige.com>
Sent: Friday, July 27, 2012 7:04 PM
To: 'Payne, Chris'; Scott Dickman; Hank Bird; ernieholley@oraclepkg.com
Cc: 'Kelsey Richard'; 'Cohen Howard'
Subject: RE: Flexible Metals EBITDA for CFLEX

Hello Chris

How are you? I hope that you are fully enjoying the weekend.

The process is going extremely well and everybody is working day and night to close. We just hung up with the attorneys in NY and Frankfurt, who are working through the night. Sorry for last minute questions -- just checking on whether it would be possible to get an unsanitized customer list for Flexible? The supervisory board would like to review tomorrow at their meeting, if possible. Also, what annual sales are expected to HSC in 2011, 2012, 2013 and 2014 with new Chobani business? Any customers that you think show a greater potential to leave when Constantia closes? Richard and I think we have covered this thoroughly with you but we thought it would be good to follow up, now that we are in the deep pre-closing due diligence stage.

Thanks

Tom

From: Payne, Chris [<mailto:ChrisPayne@oraclepkg.com>]
Sent: Thursday, July 26, 2012 7:17 AM
To: Thomas Blaige
Cc: Holley, Ernest S.; Dickman, Scott; Bird, Hank; KelseyRichard; Cohen Howard
Subject: RE: Flexible Metals EBITDA for CFLEX

Tom,

Will be working on the July-Sept in the format you requested, however, please realize that the costs in these buckets will still be estimates as the download and detail you see is from the ledger and are actuals.

In the answer to the last question, yes, the sales and EBITDA forecasts for 2013 and 2014 are still valid and correct as you have calculated.

If you would like to speak today, please recommend some times and we will try to get together.

Thanks,

Chris Payne
Oracle Flexible Packaging
220 Polo Road
Winston-Salem, NC 27105
chrispayne@oraclepkg.com
(336) 777-4593

From: Thomas Blaige [<mailto:tblaige@blaige.com>]
Sent: Wednesday, July 25, 2012 6:37 PM
To: Payne, Chris
Cc: Holley, Ernest S.; Dickman, Scott; Bird, Hank; KelseyRichard; Cohen Howard
Subject: Re: Flexible Metals EBITDA for CFLEX

Scott Dickman

From: Kelsey Richard <Richard.Kelsey@cflex.com>
Sent: Tuesday, July 31, 2012 6:19 PM
To: 'tblaige@blaige.com'; Scott Dickman
Subject: Re:

Just got the info - thanks.

From: Thomas Blaige [mailto:tblaige@blaige.com]
Sent: Wednesday, August 01, 2012 01:16 AM
To: Scott Dickman <scott@pinnaclepkg.com>
Cc: Kelsey Richard
Subject: Re:

Hi Scott
Just a reminder about the working capital info ASAP
Thanks
Tom

On Jul 31, 2012, at 4:26 PM, "Scott Dickman" <scott@pinnaclepkg.com> wrote:

I would appreciate a call with all of us to determine what we are going to do. Wells counsel just sent a notice to our bankruptcy counsel to prepare a DIP budget. I am not going to do that or cooperate but to be honest, they froze our accounts today so we do not have access to any cash to operate after tonight.

I am not trying to be a pest but this is reached the critical stage and we have to know that we are going to get Wells behind us.

Please advise